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SUBJECT: With U.S. Consulate's Help, Magazine "Citizen"
Explores Foreign Sources of Funds

Ref: A) GUANGZHOU 20890; B) GUANGZHOU 18191

(U) This message is sensitive but unclassified. Please handle accordingly.

11. (SBU) Summary: In a meeting between a representative of the American philanthropy group the Rockefeller Brothers Fund and the publisher of the magazine "Citizen," arranged by the Consulate, methods for raising money for "Citizen" were discussed. The Rockefeller representative, without making any firm commitments, agreed to continue working with "Citizen" to help the magazine find funding opportunities. End Summary.

12. (SBU) On August 7 Econ/Pol Intern arranged a meeting between a Rockefeller Brothers Fund (RBF) Representative, Hao Yuanwen, the publisher of the magazine "Citizen" ("Shimin"), and Yao Yuanguang, Hao's assistant. The purpose of the meeting was to help "Citizen"'s managers learn how to take a more business-oriented approach to running a magazine. In previous meetings between Congenoffs, Hao, and Yao, Congenoffs agreed to explore funding opportunities for a magazine such as "Citizen," which has funding only until the end of 2006 (refs A and B). Congenoffs subsequently arranged this meeting with the RBF, which, in its China program, has made south China its focus.

13. (SBU) After the RBF representative gave an introduction about the RBF, and Hao and Yao gave an introduction about "Citizen," the discussion turned to optimal ways for the magazine to obtain funds. Yao suggested that the magazine should attempt to expand to overseas Chinese communities, especially in the US and Canada, in an effort to gain their support. The RBF representative urged Yao to reconsider this idea, cautioning him that the magazine might get involved in other sorts of political issues that are not what the magazine's publisher has in mind. In addition, the amount of funding from overseas Chinese might not be very substantial.

14. (SBU) The RBF representative suggested that "Citizen" remain focused on China, at most expanding into Hong Kong and Macao. She said that the magazine's priority should be finding suitable advertisers, since presently it gets almost all its money from private donations. Hao and Yao, who have little experience in the magazine business, appeared to find advice on how to find advertisers useful.

15. (SBU) The RBF representative indicated that the RBF would likely support one issue as a first step, especially if the issue's main focus has to do with the environment and small communities, which is of special interest to the RBF. She

also said she would explore other funding opportunities for the magazine.

Comment

¶6. (SBU) During the meeting, Hao and Yao seemed to be primarily concerned with looking for donors and philanthropists to help fund the magazine, especially from abroad. The RBF representative's suggestion that a more long-term solution is to find solid and consistent advertisers seemed more sensible. Unfortunately, Hao and Yao, though driven by a commendable ideology, do not have much experience in the magazine business. It is unclear whether they will be able to keep afloat in the competitive magazine industry. End comment.

MARTIN